## **Introduced by Senator Sher**

February 19, 2004

An act to amend Sections 13050 and 13260 of, to add Section 13275 to, and to add Chapter 18 (commencing with Section 14150) to Division 7 of, the Water Code, relating to water.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1477, as introduced, Sher. Water quality.

Under existing law, the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal agencies that regulate water quality. The act requires certain persons who discharge waste to submit a waste discharge report to the appropriate regional board. The act makes a person who fails to file a waste discharge report, when requested to do so, guilty of a misdemeanor. The act defines "beneficial uses" for the purposes of water quality regulation.

This bill would require a person proposing to undertake a project that creates, or threatens to create, adverse impacts to wetlands to submit a waste discharge report to the appropriate regional board. By subjecting additional discharges to waste discharge reporting requirements, the bill would impose a state-mandated local program by expanding the scope of a crime. The bill would define "beneficial uses" to specifically include floodwater retention, pollutant removal, and habitat connectivity. The bill would require the state board or a regional board to undertake certain consultations prior to issuing a waste discharge permit that may result in the taking of a threatened or endangered species. The bill would require the state board to develop a process to facilitate consultation among various state and federal agencies regarding the issuance of a waste discharge permit for a discharge that

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may require the issuance of certain "incidental take permits" or "incidental take statements."

The bill would require the state board to formulate and adopt a program to protect and restore isolated, nonnavigable waters, wetlands, and special aquatic sites that includes the adoption of requirements to implement the state policy of no net loss of state wetlands. The bill would authorize the state board, under certain circumstances, to issue general permits for a discharge that could affect the quality of isolated, nonnavigable waters, wetlands, or special aquatic sites.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13050 of the Water Code is amended to 2 read:
- 3 13050. As used in this division:

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- (a) "State board" means the State Water Resources Control Board.
- (b) "Regional board" means any California regional water quality control board for a region as specified in Section 13200.
- (c) "Person" includes any city, county, district, the state, and the United States, to the extent authorized by federal law.
- (d) "Waste" includes sewage and any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing, or processing operation, including waste placed within containers of whatever nature prior to, and for purposes of, disposal.
- 16 (e) "Waters of the state" means any surface water or 17 groundwater, including saline waters, within the boundaries of the 18 state.
- 19 (f) "Beneficial uses" of the waters of the state that may be 20 protected against quality degradation include, but are not limited

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to, domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; floodwater retention; pollutant removal; habitat connectivity; and preservation and enhancement of fish, wildlife, and other aquatic resources or preserves.

- (g) "Quality of the water" refers to chemical, physical, biological, bacteriological, radiological, and other properties and characteristics of water which affect its use.
- (h) "Water quality objectives" means the limits or levels of 10 water quality constituents or characteristics which are established for the reasonable protection of beneficial uses of water or the prevention of nuisance within a specific area.
  - (i) "Water quality control" means the regulation of any activity or factor which may affect the quality of the waters of the state and includes the prevention and correction of water pollution and nuisance.
  - (j) "Water quality control plan" consists of a designation or establishment for the waters within a specified area of all of the following:
    - (1) Beneficial uses to be protected.
    - (2) Water quality objectives.

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- (3) A program of implementation needed for achieving water quality objectives.
- (k) "Contamination" means an impairment of the quality of the waters of the state by waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease. "Contamination" includes any equivalent effect resulting from the disposal of waste, whether or not waters of the state are
- (l) (1) "Pollution" means an alteration of the quality of the waters of the state by waste to a degree which unreasonably affects either of the following:
  - (A) The waters for beneficial uses.
  - (B) Facilities which serve these beneficial uses.
  - (2) "Pollution" may include "contamination."
- (m) "Nuisance" means anything which meets all of the following requirements:
- (1) Is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property.

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 (2) Affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal.

- (3) Occurs during, or as a result of, the treatment or disposal of wastes
- (n) "Recycled water" means water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefor considered a valuable resource.
- (o) "Citizen or domiciliary" of the state includes a foreign corporation having substantial business contacts in the state or which is subject to service of process in this state.
  - (p) (1) "Hazardous substance" means either of the following:
- (A) For discharge to surface waters, any substance determined to be a hazardous substance pursuant to Section 311(b)(2) of the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.).
- (B) For discharge to groundwater, any substance listed as a hazardous waste or hazardous material pursuant to Section 25140 of the Health and Safety Code, without regard to whether the substance is intended to be used, reused, or discarded, except that "hazardous substance" does not include any substance excluded from Section 311(b)(2) of the Federal Water Pollution Control Act because it is within the scope of Section 311(a)(1) of that act.
- (2) "Hazardous substance" does not include any of the following:
- (A) Nontoxic, nonflammable, and noncorrosive stormwater runoff drained from underground vaults, chambers, or manholes into gutters or storm sewers.
- (B) Any pesticide which is applied for agricultural purposes or is applied in accordance with a cooperative agreement authorized by Section 116180 of the Health and Safety Code, and is not discharged accidentally or for purposes of disposal, the application of which is in compliance with all applicable state and federal laws and regulations.
- (C) Any discharge to surface water of a quantity less than a reportable quantity as determined by regulations issued pursuant to Section 311(b)(4) of the Federal Water Pollution Control Act.
- (D) Any discharge to land which results, or probably will result, in a discharge to groundwater if the amount of the discharge

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to land is less than a reportable quantity, as determined by regulations adopted pursuant to Section 13271, for substances listed as hazardous pursuant to Section 25140 of the Health and Safety Code. No discharge shall be deemed a discharge of a reportable quantity until regulations set a reportable quantity for the substance discharged.

- (q) (1) "Mining waste" means all solid, semisolid, and liquid waste materials from the extraction, beneficiation, and processing of ores and minerals. Mining waste includes, but is not limited to, soil, waste rock, and overburden, as defined in Section 2732 of the Public Resources Code, and tailings, slag, and other processed waste materials, including cementitious materials that are managed at the cement manufacturing facility where the materials were generated.
- (2) For the purposes of this subdivision, "cementitious material" means cement, cement kiln dust, clinker, and clinker dust.
- (r) "Master recycling permit" means a permit issued to a supplier or a distributor, or both, of recycled water, that includes waste discharge requirements prescribed pursuant to Section 13263 and water recycling requirements prescribed pursuant to Section 13523.1.
- SEC. 2. Section 13260 of the Water Code is amended to read: 13260. (a) All of the following persons shall file with the appropriate regional board a report of the discharge, containing the information which may be required by the regional board:
- (1) Any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of the waters of the state, other than into a community sewer system.
- (2) Any person who is a citizen, domiciliary, or political agency or entity of this state discharging waste, or proposing to discharge waste, outside the boundaries of the state in a manner that could affect the quality of the waters of the state within any region.
- (3) Any person operating, or proposing to construct, an injection well.
- (4) Any person proposing to undertake a project that creates, or threatens to create, adverse impacts to wetlands, including a project to clear vegetation, drain the wetlands, or change hydrology.

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(b) No report of waste discharge need be filed pursuant to subdivision (a) if the requirement is waived pursuant to Section 13269.

- (c) Every person subject to subdivision (a) shall file with the appropriate regional board a report of waste discharge relative to any material change or proposed change in the character, location, or volume of the discharge.
- (d) (1) (A) Each person who is subject to subdivision (a) or (c) shall submit an annual fee according to a fee schedule established by the state board.
- (B) The total amount of annual fees collected pursuant to this section shall equal that amount necessary to recover costs incurred in connection with the issuance, administration, reviewing, monitoring, and enforcement of waste discharge requirements and waivers of waste discharge requirements.
- (C) Recoverable costs may include, but are not limited to, costs incurred in reviewing waste discharge reports, prescribing terms of waste discharge requirements and monitoring requirements, enforcing and evaluating compliance with waste discharge requirements and waiver requirements, conducting surface water and groundwater monitoring and modeling, analyzing laboratory samples, and reviewing documents prepared for the purpose of regulating the discharge of waste, and administrative costs incurred in connection with carrying out these actions.
- (D) In establishing the amount of a fee that may be imposed on any confined animal feeding and holding operation pursuant to this section, including, but not limited to, any dairy farm, the state board shall consider all of the following factors:
  - (i) The size of the operation.
- (ii) Whether the operation has been issued a permit to operate pursuant to Section 1342 of Title 33 of the United States Code.
- (iii) Any applicable waste discharge requirement or conditional waiver of a waste discharge requirement.
  - (iv) The type and amount of discharge from the operation.
  - (v) The pricing mechanism of the commodity produced.
- (vi) Any compliance costs borne by the operation pursuant to state and federal water quality regulations.
- (vii) Whether the operation participates in a quality assurance program certified by a regional water quality control board, the state board, or a federal water quality control agency.

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(2) (A) Subject to subparagraph (B), any fees collected pursuant to this section shall be deposited in the Waste Discharge Permit Fund, which is hereby created. The money in the fund is available for expenditure by the state board, upon appropriation by the Legislature, solely for the purposes of carrying out this division.

- (B) (i) Notwithstanding subparagraph (A), the fees collected pursuant to this section from stormwater dischargers that are subject to a general industrial or construction stormwater permit under the national pollutant discharge elimination system (NPDES) shall be separately accounted for in the Waste Discharge Permit Fund.
- (ii) Not less than 50 percent of the money in the Waste Discharge Permit Fund that is separately accounted for pursuant to clause (i) is available, upon appropriation by the Legislature, for expenditure by the regional board with jurisdiction over the permitted industry or construction site that generated the fee to carry out stormwater programs in the region.
- (iii) Each regional board that receives money pursuant to clause (ii) shall spend not less than 50 percent of that money solely on stormwater inspection and regulatory compliance issues associated with industrial and construction stormwater programs.
- (3) Any person who would be required to pay the annual fee prescribed by paragraph (1) for waste discharge requirements applicable to discharges of solid waste, as defined in Section 40191 of the Public Resources Code, at a waste management unit that is also regulated under Division 30 (commencing with Section 40000) of the Public Resources Code, shall be entitled to a waiver of the annual fee for the discharge of solid waste at the waste management unit imposed by paragraph (1) upon verification by the state board of payment of the fee imposed by Section 48000 of the Public Resources Code, and provided that the fee established pursuant to Section 48000 of the Public Resources Code generates revenues sufficient to fund the programs specified in Section 48004 of the Public Resources Code and the amount appropriated by the Legislature for those purposes is not reduced.
- (e) Each person discharges waste in a manner regulated by this section shall pay an annual fee to the state board. The state board shall establish, by regulation, a timetable for the payment of the annual fee. If the state board or a regional board determines that

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the discharge will not affect, or have the potential to affect, the quality of the waters of the state, all or part of the annual fee shall be refunded.

- (f) (1) The state board shall adopt, by emergency regulations, a schedule of fees authorized under subdivision (d). The total revenue collected each year through annual fees shall be set at an amount equal to the revenue levels set forth in the Budget Act for this activity. The state board shall automatically adjust the annual fees each fiscal year to conform with the revenue levels set forth in the Budget Act for this activity. If the state board determines that the revenue collected during the preceding year was greater than, or less than, the revenue levels set forth in the Budget Act, the state board may further adjust the annual fees to compensate for the over and under collection of revenue.
- (2) The emergency regulations adopted pursuant to this subdivision, any amendment thereto, or subsequent adjustments to the annual fees, shall be adopted by the state board in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulations adopted by the state board, or adjustments to the annual fees made by the state board pursuant to this section, shall not be subject to review by the Office of Administrative Law and shall remain in effect until revised by the state board.
- (g) The state board shall adopt regulations setting forth reasonable time limits within which the regional board shall determine the adequacy of a report of waste discharge submitted under this section.
- (h) Each report submitted under this section shall be sworn to, or submitted under penalty of perjury.
- (i) The regulations adopted by the state board pursuant to subdivision (f) shall include a provision that annual fees shall not be imposed on those who pay fees under the national pollutant discharge elimination system until the time when those fees are

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again due, at which time the fees shall become due on an annual basis.

- (j) Any person operating or proposing to construct an oil, gas, or geothermal injection well subject to paragraph (3) of subdivision (a), shall not be required to pay a fee pursuant to subdivision (d), if the injection well is regulated by the Division of Oil and Gas of the Department of Conservation, in lieu of the appropriate California regional water quality control board, pursuant to the memorandum of understanding, entered into between the state board and the Department of Conservation on May 19, 1988. This subdivision shall remain operative until the memorandum of understanding is revoked by the state board or the Department of Conservation.
- (k) In addition to the report required by subdivision (a), before any person discharges mining waste, the person shall first submit both of the following to the regional board:
- (1) A report on the physical and chemical characteristics of the waste that could affect its potential to cause pollution or contamination. The report shall include the results of all tests required by regulations adopted by the board, any test adopted by the Department of Toxic Substances Control pursuant to Section 25141 of the Health and Safety Code for extractable, persistent, and bioaccumulative toxic substances in a waste or other material, and any other tests that the state board or regional board may require, including, but not limited to, tests needed to determine the acid-generating potential of the mining waste or the extent to which hazardous substances may persist in the waste after disposal.
- (2) A report that evaluates the potential of the discharge of the mining waste to produce, over the long term, acid mine drainage, the discharge or leaching of heavy metals, or the release of other hazardous substances.
- (*l*) Except upon the written request of the regional board, a report of waste discharge need not be filed pursuant to subdivision (a) or (c) by a user of recycled water that is being supplied by a supplier or distributor of recycled water for whom a master recycling permit has been issued pursuant to Section 13523.1.
  - SEC. 3. Section 13275 is added to the Water Code, to read:
- 13275. (a) Prior to issuing a waste discharge permit pursuant to this division for a discharge that may result in the taking of a

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state threatened or endangered species, the state board or the regional board shall consult with the Department of Fish and Game to ensure that the permit will be issued consistent with Article 3 (commencing with Section 2080) of Chapter 1.5 of Division 3 of the Fish and Game Code.

- (b) Prior to issuing a waste discharge permit pursuant to this division for a discharge that may result in the taking of a federal threatened or endangered species, the state board or the regional board shall consult with the National Marine Fisheries Service or United States Fish and Wildlife Service in a manner that is consistent with Sections 1536 and 1539 of Title 16 of the United States Code.
- (c) (1) The state board shall develop a process to facilitate consultation among the state board, the regional boards, and the Department of Fish and Game with regard to the issuance of waste discharge permits pursuant to this division for a discharge that may require the issuance of incidental take permits under Article 3 (commencing with Section 2080) of Chapter 1.5 of Division 3 of the Fish and Game Code.
- (2) The state board shall develop a process to facilitate consultation among the state board, the regional boards, and the National Marine Fisheries Service or United States Fish and Wildlife Service with regard to the issuance of waste discharge permits pursuant to this division for a discharge that may require the issuance of incidental take statements under Section 1536 of Title 16 of the United States Code or incidental take permits under Section 1539 of Title 16 of the United States Code.
- SEC. 4. Chapter 18 (commencing with Section 14150) is added to Division 7 of the Water Code, to read:

Chapter 18. THE WATER QUALITY PROTECTION ACT OF 2005

## Article 1. General Provisions

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The Legislature finds and declares all of the 14150. following:

(a) The health, safety, and welfare of the people of the State of California depend upon the protection of all the waters of the state, both navigable and nonnavigable.

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(b) Isolated, nonnavigable waters, wetlands, and intermittent and ephemeral streams provide a variety of important functions that benefit the state economically and biologically. These benefits include all of the following:

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- (1) Protecting subsurface water resources and providing valuable watersheds and recharging groundwater supplies.
- (2) Flood and stormwater control by the hydrologic absorption and storage capacity of wetlands.
- (3) Reducing pollutant loadings in waters of the state by serving as pollutant sinks and biological and chemical oxidation basins.
- (4) Protecting wildlife habitat by providing breeding, nesting, feeding grounds, and cover for many forms of commercial and noncommercial fish and wildlife, including migratory waterfowl, and rare, threatened, or endangered wildlife species.
- (5) Erosion control by serving as a sedimentation area and filtering basin, by absorbing silt and organic matter.
- (6) Providing sources of nutrients in water food cycles and nursery grounds and sanctuaries for fish.
- (7) Providing recreational areas for hunters, fisherman, bird-watchers, and others.
- (c) The loss of isolated, nonnavigable waters, wetlands, and intermittent and ephemeral streams has caused significant economic impairment to the state, including losses due to flooding, costs associated with new flood control projects, increased water treatment costs, loss of water supplies, loss of commercial fisheries, and loss of public recreation revenue.
- (d) Water is transported through interconnected hydrologic cycles, above and below ground, and pollution, impairment, or destruction of any part of an aquatic system may affect the chemical, biological, and physical integrity of other parts of the aquatic system.
- (e) California's climate and hydrologic regimes range from 34 coastal rain forest to inland desert with most locations receiving highly seasonal and variable precipitation. These environmental conditions result in a large inventory of swales, vernal lakes, vernal pools, desert seeps and springs, dry lake beds, ephemeral and intermittent headwater streams, and enclosed basins not draining to navigable waters.
  - (f) California has lost nearly 91 percent of its original wetlands.

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(g) Since 1977, the United States Army Corps of Engineers has been charged with the regulation of discharges into waters of the United States pursuant to Section 404 of the Clean Water Act (33 U.S.C. Sec. 1344).

- (h) The United States Supreme Court has ruled that the United States Army Corps of Engineers does not have jurisdiction under the Clean Water Act to regulate isolated, nonnavigable waters where the sole basis is the use of the waters as habitat for migratory birds.
- (i) On January 15, 2003, the United States Environmental Protection Agency and United States Army Corps of Engineers issued a joint memorandum that eliminates Clean Water Act jurisdiction over isolated, nonnavigable waters in a variety of settings, creating significant uncertainty as to how much of California's unique waterways are currently subject to the Clean
- (j) The Clean Water Act explicitly allows states to adopt more protective standards and permitting programs than those set forth in that act.
- (k) The program established by this chapter shall be undertaken by the state board and the regional boards.
- 14151. It is the intent of the Legislature to do all of the following:
- (a) Protect the public health and welfare by preventing degradation to California's drinking water sources, including isolated, nonnavigable waters, wetlands, and intermittent and ephemeral streams.
- (b) Maintain the pollution control benefits provided by isolated, nonnavigable waters, including the removal of pollutants and excess nutrients, reduction of erosion and sedimentation, and wastewater treatment.
- (c) Prevent adverse impacts to California's unique ecosystems, commercial and noncommercial fisheries and wildlife habitat, and state or federally protected species.
- (d) Provide habitat connectivity for fish and wildlife species in 36 order to prevent fish and wildlife populations from becoming isolated and to allow natural dispersal of fish and wildlife populations.

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(e) Provide natural and enhanced flood control by protecting isolated, nonnavigable, wetlands, and intermittent and ephemeral streams.

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- (f) Create a state water quality control program that provides the same or greater level of protection as that accorded to isolated, nonnavigable waters under Sections 401 and 404 of the Clean Water Act (33 U.S.C. Secs. 1341 and 1344), and the act's implementing regulations that were in effect on December 31, 2000.
- (g) Enact a state water quality control program that provides for no net loss of state wetlands.
- 14152. As used in this chapter, the following words have the following meanings:
- (a) "Special aquatic sites" means those geographic areas, large or small, that, in the judgment of the state board, possess special ecological characteristics of productivity, habitat, wildlife protection, or other important and easily disrupted ecological values, that significantly influence, or positively contribute to, the general overall environmental health of vitality of the entire ecosystem of a region. For the purposes of this chapter, special aquatic sites include sanctuaries, refuges, mudflats, vegetated shallows, reefs, riffle and pool complexes, and intermittent and ephemeral streams.
- (b) "Wetlands" means those areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. For the purposes of this chapter, wetlands include swamps, marshes, bogs, vernal pools, and similar areas.

Article 2. The Isolated, Nonnavigable Waters, Wetlands, and Special Aquatic Sites Protection Program

14153. (a) The state board shall formulate and adopt a program to protect and restore isolated, nonnavigable waters, wetlands, and special aquatic sites. This program shall provide for both of the following:

(1) The adoption of requirements that afford the same or greater level of protection as that provided to isolated,

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nonnavigable waters, wetlands, and special aquatic sites under
 Sections 401 and 404 of the Clean Water Act (33 U.S.C. Secs. 1341

- and 1344) and the act's implementing regulations, as set forth in
- 4 33 C.F.R. Part 328 and 40 C.F.R. Part 230, that were in effect on December 31, 2000.
  - (2) The adoption of requirements to implement the state policy of no net loss of state wetlands.
  - (b) The state board and the regional boards shall be responsible for implementing this program consistent with their responsibilities under this division.
  - 14154. The state board shall require the regional boards to conduct public outreach to advise project proponents of their responsibilities under Article 4 (commencing with Section 13260) of Chapter 4 relating to project impacts on isolated, nonnavigable waters, wetlands, and special aquatic sites.
  - 14155. (a) For a discharge that could affect the quality of isolated, nonnavigable waters, wetlands, or special aquatic sites, the state board may issue one or more general permits if the state board determines that the discharges covered under these general permits will have only a minimal adverse effect on the quality of those waters, either separately or cumulatively.
  - (b) For the purposes of carrying out subdivision (a), the state board shall issue a general permit in accordance with the requirements adopted pursuant to subdivision (a) of Section 14153.
  - (c) The duration of a general permit may not exceed five years after the date of its issuance.
- after the date of its issuance.

  SEC. 5. No reimbursement is required by this act pursuant to
  Section 6 of Article XIII B of the California Constitution because
  the only costs that may be incurred by a local agency or school
  district will be incurred because this act creates a new crime or
  infraction, eliminates a crime or infraction, or changes the penalty
  for a crime or infraction, within the meaning of Section 17556 of
  the Government Code, or changes the definition of a crime within
  the meaning of Section 6 of Article XIII B of the California